

CRYSTAL PEAK MINERALS CORPORATION

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P.O. Box 3006
Houston, Texas 77253-3006
713/522-5720

DOGM
MINERALS PROGRAM
FILE COPY

MAY 17 1989

May 17, 1989

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining

Dear Madam or Sir:

We have prepared the balance sheets of Crystal Peak Minerals Corporation as of June 30, 1988 and March 31, 1989.

In the opinion of management, the aforementioned balance sheets present fairly the financial position of Crystal Peak Minerals Corporation at June 30, 1988 and March 31, 1989 in conformity with generally accepted accounting principles applied on a consistent basis.

Sincerely,



S.J. Smith
Vice President & Treasurer

SJS:dc

Attachments

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CRYSTAL PEAK MINERALS CORPORATION
BALANCE SHEETS
JUNE 30, 1988 and MARCH 31, 1989

ASSETS	JUNE 30, 1988	MARCH 31, 1989
CURRENT ASSETS		
CASH	\$5,770	\$10,320
PREPAID EXPENSE	8,702	58,737
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TOTAL CURRENT ASSETS	\$14,472	\$69,057
PROPERTY, PLANT, and EQUIPMENT	\$4,021,507	\$4,806,182
LESS DEPRECIATION	56,995	87,684
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	\$3,964,512	\$4,718,498
OTHER ASSETS AT COST	\$7,695	\$5,224
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	\$3,986,679	\$4,792,779
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LIABILITIES and STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$272,370	\$428,155
ACCRUED EXPENSES	35,318	4,387
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TOTAL CURRENT LIABILITIES	\$307,688	\$432,542
STOCKHOLDER'S EQUITY		
CAPITAL STOCK	\$3,620,000	\$4,285,600
STOCK WARRANTS PAYABLE	57,991	66,583
RETAINED EARNINGS	1,000	8,054
	-----	-----
TOTAL STOCKHOLDER'S EQUITY	\$3,678,991	\$4,360,237
	-----	-----
	\$3,986,679	\$4,792,779
	=====	=====

See accompanying notes to balance sheets

CRYSTAL PEAK MINERALS CORPORATION

NOTES TO BALANCE SHEETS

BASIS OF ACCOUNTING

The company maintains its books on the accrual method of accounting in accordance with generally accepted accounting principles.

DEPRECIATION AND AMORTIZATION

Property, plant and equipment is depreciated and amortized using various methods over estimated useful lives.

WARRANTS PAYABLE

The company has agreements which provide for the construction of improvements and administrative and management services in exchange for stock. The stock to be issued in connection with these agreements is shown as warrants payable until such time as the stock is issued.

RETAINED EARNINGS

Retained earnings represents insignificant sales of product during the development phase of the project.